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OPENING REMARKS OF CHAIRMAN BUYER MILITARY PERSONNEL SUBCOMMITTEE MARK-UP FY 1998 DOD AUTHORIZATION ACT

The subcommittee meets today to consider the Military Personnel titles of the National Defense Authorization Act for Fiscal Year 1998.

The Chairman's mark addresses major personnel issues that confront the military today. Before I discuss those, I want to thank the Members of the subcommittee for their support and for what I would term a bi-partisan, shared view of the role of the subcommittee; that is a commitment to ensuring that the needs of military members are addressed directly and effectively.

Much of the Chairman's mark is directed at two critical personnel issues: The effects of insufficient military manpower, as well as the implications of inadequate pay and allowances.

With regard to manpower, the Department of Defense's military personnel budget request would continue reducing active-duty end strength below the levels established in law, and below those that appear required to provide the forces needed to achieve the current national military strategy, support the current operations tempo of the force, and preserve the quality of the people so important to the future of a smaller force. Nor is it reassuring that the Quadrennial Defense Review (QDR) has concluded that future military missions can be accomplished with 155,000 fewer uniformed personnel.

Recruiting is also a concern for each of the services and to the subcommittee. Meeting both quantity and quality goals is becoming increasingly harder and the budget request appears to be about

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\$160 million less than what the service chiefs believe is necessary. This funding shortfall only heightens deep concerns that the military services are already on a slippery slope of eroding recruit quality in order to meet increasingly difficult accession requirements.

An enduring picture of distressing financial need being experienced by military men and women emerged during committee staff visits to the field last fall and was emphatically reinforced during committee hearings. Despite the evidence of financial stress among military personnel, the budget request continues to use the "by-law" formula in requesting a 2.8 percent increase. This "by-law" formula — one-half of a percent below the Employment Cost Index (ECI) – insures an unhealthy growth in the gap between military and civilian pay from 13.5 percent in fiscal year 1998 to over 15 percent in 2001.

Moreover, while the department's proposed reforms of basic allowance for subsistence (BAS) and basic allowance for quarters (BAQ) were well intentioned, they do nothing to protect families from lost income when members train and deploy and did not reduce out-of-pocket housing costs for service members. The failure to reduce out-of-pocket housing costs reneges for the second year in a row on a three-year old commitment that the Secretary of Defense launched as a highly publicized, top priority, six-year initiative.

To the detriment of more than 120,000 federal employees who also have volunteered to serve as members of the reserve components, the President's budget request sought so-called savings by eliminating the military income of most federal employees who performed military duty during required annual training. At a time when the nation is increasing its reliance on the reserve components, this apparent effort to reinvent government seems counterproductive. Moreover, rather than setting an example of how an employer should support the National Guard and Reserve, this initiative sends the message that reservists do not deserve any special consideration.

Finally, for the second year in a row, the budget request significantly under-funded the Defense Health Program (DHP). In response to Congressional concerns, the Administration has proposed a budget amendment to fix the shortfall.

In view of the issues cited above, the Chairman's mark would:

- Mandate that future military pay raises be based on the full Employment Cost Index (ECI) and not on ECI minus 0.5 percent;
- Require the Secretary of Defense to implement a system of pay and allowances that would
 prevent the loss of income for military personnel when they are deployed or serving under field
 conditions at home station; and authorize \$50.0 million to facilitate the initiative. The requirement
 is supported by a restructured deployment pay system including a new hardship duty pay, an
 increased family separation pay, and more flexible rules for payment of Basic Allowance for
 Subsistence;
- Initiate a major reform of the housing allowances that would increase allowances in high cost areas and ensure that military personnel experience the same amount of out-of-pocket costs regardless of location;
- Continue reducing "out of pocket" housing costs toward the goal of having military personnel absorb no more than 15 percent of the cost of adequate housing;
- Retaining the statutory floors on active end strength;
- Increase funding for military recruiting, and direct a series of reforms to improve recruiter performance and reduce recruit attrition;

- Retain military leave for federal civilians in the selected reserve and restore the \$85 million cut from reserve component budgets; and
- Restore \$274 million to the Defense Health Program, and direct a plan for expanding the TRICARE Prime (HMO) option and propose improvements to the TRICARE program designed to ensure beneficiary access to quality health care providers.
- Direct the Secretary of Defense to report to Congress on the feasibility of extending mail-order pharmacy program to all Medicare eligible beneficiaries who do not live near a military medical treatment facility.
- Restore the POW-MIA provisions to the Missing Person's Act.

In addition, the Chairman's mark addresses some of the issues which have emerged as a result of the ongoing subcommittee examination of sexual misconduct in the military. Specifically, the mark would provide for a review of the ability of the military criminal investigative services to investigate crimes of sexual misconduct, and mandate a series of reforms to drill sergeant selection and training.

The mark would also require an independent panel to assess reforms to military basic training. The need for such reform comes from mid-level military leaders who report that many graduates from basic training do not possess the physical fitness, skill in basic military tasks, discipline and acculturation to service values needed for the actual job and readiness requirements of operational units. Included in the review would be a determination of the merits of gender-integrated or gender-segregated basic training as a method to attain the basic training objectives established by each service.

The Chairman's mark also would provide for a one-year suspension of the 15-year early retirement authority. This suspension is consistent with a commitment to preserve the active duty end-strength floors, as well as the fact that QDR reductions are proposed for the post-2003 time frame, and that Congress never intended early retirement to be a permanent authority.

Finally, the Chairman's mark would terminate the Mobilization Insurance Program, leaving open the option for the department to propose other alternatives to address the issue of income protection measures.

Before I ask Mr. Taylor to make any remarks he desires, I want to thank the staff for its efforts in putting this bill together. They have done a superb job.